

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO.
TO REVISE LINE EXTENSIONS POLICY) 97-341
AND ADD SERVICE CATEGORIES SECTION)

O R D E R

IT IS ORDERED that Grayson Rural Electric Cooperative Corporation ("Grayson") shall file the original and five copies of the following information with the Commission with a copy to all parties of record within 15 days from the date of this Order.

1. Refer to Paragraph 46, "Line Extensions."
 - a. Explain Grayson's plan to "maximize its investment." Include a discussion of how this concept will conform to Commission regulation 807 KAR 5:041, Section 11.
 - b. Provide Grayson's definition of the following terms as they are used in Paragraph 46:
 - (1) Year-round
 - (2) Life-sustaining
 - (3) Electric consuming facilities
 - (4) Beneficial to communities
 - (5) Contribution for facilities
 - (6) Personal, private use
 - (7) Convenience

c. Explain how Grayson's proposed tariff will provide service to its customers in a manner which is not arbitrary. Who will make cooperative decisions relative to the application of the terms listed in Question 1(b)?

2. Refer to Paragraph 47, "Service Categories (commercial & residential)."

a. Explain how Grayson's proposed tariff conforms with the Commission's regulation 807 KAR 5:041, Section 11, relative to the cooperative's obligation to provide service to its customers.

b. Define the terms "community" benefit, and "to construct non-power consuming facilities."

Done at Frankfort, Kentucky, this 2nd day of October, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director